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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/805,063	03/19/2004	William P. Henson	0516625.00101	7919

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EXAMINER	
KESACK, DANIEL	

ART UNIT	PAPER NUMBER
3691	

MAIL DATE	DELIVERY MODE
10/06/2008	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)	
	10/805,063	HENSON ET AL.	
	Examiner	Art Unit	
	Daniel Kesack	3691	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *23 June 2008*.

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-7,25,26 and 30-33* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-7,25,26 and 30-33* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☐ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☒ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date *6/11/08*.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

DETAILED ACTION

1. This Office Action is in response to the amendment and remarks filed June 23, 2008. Applicant's amendments have been entered, and the arguments have been fully considered. Claims 1-7, 25, 26, and 30-33 are currently pending. The rejections are as stated below.

Claim Rejections - 35 USC § 103

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

3. The factual inquiries set forth in *Graham* **v.** *John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

4. Claims 1, 3, 4, 25, 26, 30, 31, and 33 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hoffman, U.S. Patent No. 6,253,191.

Claim 1, 25, 26, Hoffman discloses a system and method for investing, comprising:

negotiating terms for obtaining a revenue share interest in an entity (column 5 lines 29-35, column 11 lines 54-57);

providing financing to the entity by the financier (column 5 lines 19-22, 30-32);

receiving a revenue share interest for the predetermined period of time, wherein the revenue share interest is a predefined share of the cash flows of the entity (column 5 lines 33-34, column 7 lines 18-21, column 11 lines 3-10),

wherein, no ownership interest in the entity is received during the predetermined period of time of the revenue share interest, and no debt is used (column 5 line 64 – column 6 line 8).

While Hoffman fails to explicitly teach an asset management firm being the entity, Hoffman discusses that the entity structure of the recipient of the financing can be any of a wide variety of entity structures. Any entity structure which manages assets can be considered an asset management firm. Therefore, it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to modify the teachings of Hoffman to include an asset management firm because it is a known entity which handles real estate assets, at least in part, and the entities discussed by Hoffman are entities owning real estate.

Claim 3, Hoffman teaches the financing is provided to the entity in connection with a capital need (abstract).

Claim 4, Hoffman teaches the revenue share interest terminates, because it has a predetermined duration, as cited above. However, Hoffman fails to teach upon termination of the revenue share interest, converting the revenue share interest to an ownership interest in the asset management firm, callable by the asset management firm.

In the Office Action dated February 26, 2007, Examiner took Official Notice that the practice of converting a non-ownership interest into an ownership interest, such as equity ownership, callable by the organization is old and well known in the art. Since Applicant failed to adequately challenge the assertion, the statement is taken to be admitted prior art. It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include such a feature in the invention of Hoffman because it would provide an additional incentive for an investor to partake in a riskier situation in exchange for the possibility of obtaining ownership stake at some point in the future. Such a feature would be especially useful in the field of Brownfield project investment because investors do not want ownership during the construction phase while liability is high, but may desire such ownership in the future once the risks involved with the development of a Brownfield have subsided.

Claims 30, 31, Hoffman teaches the terms are the amount of capital to be provided (column 5 lines 30-31).

Claim 33, Hoffman teaches the terms include revenue targets (column 7 lines 38-41: the revenue target is the investment being recovered).

5. Claim 2 is rejected under 35 U.S.C. 103(a) as being unpatentable over Hoffman, in view of Adams, U.S. Patent No. 6,154,730.

Hoffman fails to teach evaluating the revenue share interest at least in part using a probabilistic model.

Adams discloses a system for generating financing for construction of a facility, wherein an investor receives a predefined revenue share from tickets sold as a result of the facility construction, wherein an investor evaluates the revenue share at least in part using a probabilistic model (column 1 lines 45-51), and wherein the construction is considered a capital need of the owners of the facility. It would have been obvious to one of ordinary skill in the art at the time of the applicant's invention to modify the teachings of Hoffmann to include the evaluation feature of Adams because an investor would want to perform an evaluation to determine the risk that the revenue share would be profitable enough to cover the investment.

6. Claims 5-7 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hoffman, U.S. Patent No. 6,253,191, in view of Oyama, U.S. Patent Application Publication No. 2006/0149562.

Hoffman fails to teach changing the term or the amount of the revenue share interest based on revenue targets.

Oyama teaches a business investment method wherein an investor provides an capital investment to a fund which services a business or project, and the investor receives dividends, which repay the investor for the investment. Oyama teaches extending the term of the contract in order to increase the dividends received when it is impossible to achieve a target profit (paragraph 33), and ending the term of the contract immediately when a target profit is acquired, thus decreasing the amount of dividends which would have otherwise been received (paragraph 34), which Examiner equates to shortening the term and decreasing the amount of revenue share interest when a revenue target is exceeded. Furthermore, either of these cases is considered changing a term based on a comparison of actual performance to a quantitative target level. It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Hoffman to include the contract adjustment features of Oyama because the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

7. Claim 32 is rejected under 35 U.S.C. 103(a) as being unpatentable over Hoffman and Oyama as applied to claims 1, 4-7 above, and further in view of Adams.

Hoffmann and Oyama fail to teach evaluating the revenue share interest at least in part using a probabilistic model.

Adams teaches this limitation substantially as claimed (see rejection of claim 2). It would have been obvious to one of ordinary skill in the art at the time of the applicant's invention to modify the teachings of Hoffmann and Oyama to include the evaluation feature of Adams because an investor would want to perform an evaluation to determine the risk that the revenue share would be profitable enough to cover the investment.

Response to Arguments

8. Applicant's arguments filed June 23, 2008 have been fully considered but they are not persuasive.

Regarding applicant's argument that Hoffman fails to teach "negotiating terms for obtaining a revenue share interest in the asset management firm", Examiner respectfully disagrees. Examiner is of the opinion that the fact that the method recites financing an asset management firm does not distinguish the invention over the prior art. The method would be performed in the same manner whether the intent was to finance an asset management firm, a real estate development company, a restaurant, a retail store, etc. The recipient of the financing being an asset management firm is the intended use of the claimed invention, but does not distinguish the method itself from the method being performed by Hoffman. Assuming, *arguendo*, that the asset

management firm is to be given patentable weight, the special purpose vehicle which receives the financing according to Hoffman is disclosed as being any number of structures involved in real estate development. A company involved in real estate investment and development certainly manages the real estate, which are assets. Examiner believes any of the entity structures described by Hoffman (column 8 lines 33-49) could be considered "asset management firms". Even still, Hoffman acknowledges that other entity structures are possible in place of the special purpose vehicle. For at least these reasons, Hoffman discloses Applicant's invention, substantially as claimed. Finally, while Applicant argues Hoffman teaches away because the fund manager in Hoffman is not receiving the financing, Examiner is of the opinion that this is not contrary to anything in the claim language of the invention. The fund manager of the Brownfield Fund acts as the financier of the real estate management companies, which are the asset management firms. Therefore, Hoffman teaches the claimed invention.

Applicant also argues that Hoffman fails to teach receiving a revenue share interest. Examiner respectfully disagrees. While Examiner is aware that Hoffman mentions cash flows, Hoffman also discloses revenue sharing, "...the Brownfields fund may be entitled to a share of the revenue..." (column 7, lines 38-41).

Regarding Applicant's argument that Hoffman does not disclose, teach, or suggest, "wherein, no ownership interest in the asset management firm is received during the term of the revenue share interest, and no debt is used," Examiner

respectfully disagrees. While the feature is not recited, verbatim, it is inherent in the structure created through the invention of Hoffman. According to the disclosure of Hoffman, the Brownfields value contract allows the fund to acquire a financial interest in the special purpose vehicle, and the contract is neither a debt instrument, nor an equity instrument, and therefore it meets the claim language. Furthermore, Applicant's arguments related to Hoffman not teaching a direct investment in an underlying entity (Applicant's arguments filed 6/23/08, page 13) are not considered pertinent to patentability because such features are not present in the claim language. While claim limitations are read in light of the specification, it would not be proper to consider these features as limiting, given the broadest reasonable interpretation of the claim language.

Conclusion

9. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Daniel Kesack whose telephone number is (571)272-5882. The examiner can normally be reached on M-F, 9:00am-5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on 571-272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Respectfully Submitted,

Daniel Kesack
September 23, 2008
/D. K./
Examiner, Art Unit 3691

/Hani M. Kazimi/
Primary Examiner, Art Unit 3691